



WESLEY W. SIMINA  
GOVERNOR  
JOHNSON ELIMO  
LIEUTENANT GOVERNOR

OFFICE OF THE GOVERNOR  
STATE OF CHUUK

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Received 12/11/09  
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4:35 pm

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December 10, 2009

**THE HONORABLE MARK MAILO**  
President  
Senate  
10<sup>th</sup> Chuuk State Legislature  
Weno, Chuuk, FM 96942

**THE HONORABLE SINGKORO HARPER**  
Speaker  
House of Representatives  
10<sup>th</sup> Chuuk State Legislature  
Weno, Chuuk, FM 96942

**RE: CSL NO. 10 - 09 - 13**

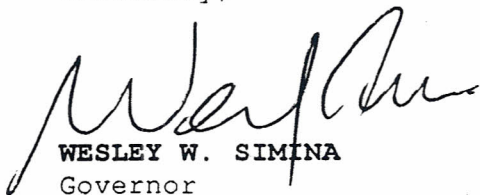
Dear President Mailo and Speaker Harper:

I am respectfully transmitting the attached Act 10 - 13 which I signed into a law and assigned the corresponding number as Chuuk State Law No. 10 - 09 - 13. This is an amendment to the Tax on Services. With this amendment, we have a wider scope of services that can be taxed. Hopefully with this amendment, we can improve our local revenue collections.

Once again, your capable leadership enabled the passage reform-based measures.

Thank you and I remain.

Sincerely,



**WESLEY W. SIMINA**  
Governor

Enclosure : CSL No. 10 - 09 - 13



TENTH CHUUK STATE LEGISLATURE

Office of the Senate Chief Clerk

P.O Box 1050

Weno Island, Chuuk State

Federated State of Micronesia 96942

ph # 330-4283

December 08, 2009

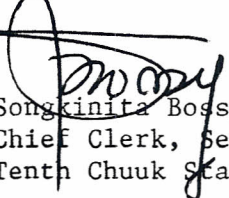
The Honorable Wesley W. Simina  
Governor  
Chuuk State Government  
Weno Island, Chuuk State  
Federated States of Micronesia - #96942

Dear Governor Simina :

I have the honor to transmit herewith Act No. 10-13, entitled, "TO FURTHER AMEND SECTIONS 11, 11-A TO C OF TRUK STATE LAW NO.5-119, AS AMENDED BY CSL NO. 191-04 AND SECTION 7 OF CSL NO.10-09-11, ADDING NEW SECTION 11-D, FURTHER AMENDING SECTION 17 OF TSL 5-119, AS AMENDED BY CSL 2-94-15, \$2 AND FOR OTHER PURPOSES." and Act No. 10-16, entitled, "TO APPROPRIATE THE SUM OF \$239,000 FROM THE GENERAL FUND OF THE STATE FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2010, FOR THE PURPOSE OF FUNDING UNANTICIPATED NEEDS OF THE STATE, AND FOR OTHER PURPOSES." which were passed by the Tenth Chuuk State Legislature, Second Special Session, November, 2009.

Thank you.

Respectfully,

  
Songkinita Bossy  
Chief Clerk, Senate  
Tenth Chuuk State Legislature

Acknowledged Receipt:

by: Sue H. Moku  
Name - print

Sue H. Moku  
(Signature)

AO  
Position / Title

Date: 12/8/09 Time: 2:44 P.M.

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AN ACT

To further amend sections 11, 11-A to C of Truk State Law No. 5-119, as amended by CSL Nos. 191-04 and section 7 of CSL No. 10-09-11, adding new section 11-D, further amending section 17 TSL 5-119, as amended by CSL 2-94-15, § 2 and for other purposes.

Be it enacted by the Chuuk State Legislature:

- 1           Section 1. Amendment. Section 11 of TSL 5-119, as amended by CSL 191-04, §  
2   4 and CSL No. 10-09-11 is hereby repealed in its entirety and be replaced to read as  
3   follows:
- 4           “Section 11. Service Tax. A service tax of five percent (5%) of the value of the  
5   service price received in relation to and in connection with procuring, buying or  
6   purchasing of the following services, which shall be payable by the person receiving the  
7   services, except as specifically provided:
- 8           1) Lease of office, dwelling place, land and other space, occupancy of a hotel,  
9           motel, apartment room, lodging room, or accommodation provided under an  
10          occupation lease agreement;
  - 11          2) Admission fees to theaters, cinemas, swimming pools, resorts and other  
12          amusement centers;
  - 13          3) Video tape, dvd, cd or film rental;
  - 14          4) Travel by cruise or tour ships and services provided by diving operators;
  - 15          5) Air and sea transportation services. Service Tax imposed on air and sea  
16          transportation services shall be for outgoing passengers of Chuuk where their  
17          final destination is outside of the FSM, irrespective of where payment of the  
18          service is made;
  - 19          6) Professional services - defined as services provided by a person with a college  
20          or university degree or higher qualification relevant to the profession to which  
21          the service relates, where that person is required to be a member of, and meets  
22          the membership requirements of, a professional body or association relevant  
23          to that profession, or services provided by a person authorized by law or rules

- 1 to practice such a profession but does not include services provided by that  
2 person in their capacity as employee;
- 3 7) Rental of a vehicle to transport one or more persons, including bus, mini-bus,  
4 truck, motor vehicle, motor bike, motor scooter and bicycle, and rental of  
5 heavy and light equipment or machineries, but does not include a fare paid by  
6 a passenger of a bus or taxi;
- 7 8) Boat Rental;
- 8 9) Construction services;
- 9 10) Services provided by money sending or receiving companies except banks or  
10 banking institutions and insurance companies, brokers or agents;
- 11 11) Computer and Electronic Shop;
- 12 12) Plumbing Services;
- 13 13) Auto Shop;
- 14 14) Refrigeration & Air Conditioning Services;
- 15 15) Port Service/Pilotage;
- 16 16) Shipping Agency Fee
- 17 17) Courier Services;
- 18 18) Stevedoring Services;
- 19 19) Beauty Shop;
- 20 20) Dress Making/Repair/alternation;
- 21 21) Professional Cleaning, Janitorial Services & Bulk Laundry;
- 22 22) Commercial Massage;
- 23 23) Security; and
- 24 24) Internet/Fax/Photocopying..”

25 Section 2. Amendment. Section 11-A of TSL 5 – 119, as amended by CSL 191-04,  
26 § 4 and CSL No. 10-09-11, is hereby amended as follows:

27 “Section 11 – A. Imposition of service tax. Notwithstanding any provision  
28 to the contrary, the service tax imposed by Section 11, shall be paid by the  
29 customer, person, company or entity obtaining the services, and which shall be  
30 collected by the person, company or entity providing the services.”



1 Section 3. Amendment. Section 11-B of TSL 5 – 119, as amended by CSL 191-04,  
2 § 4 and CSL No. 10-09-11, is hereby amended as follows:

3 “Section 11 – B. Payment of service tax. Notwithstanding any provision to  
4 the contrary, payment of service tax imposed by Section 11, shall be made within  
5 the first 15 days of the month following any payment of services by the person,  
6 company or entity providing the services.”

7 Section 4. Amendment. Section 11-C of TSL 5 – 119, as amended by CSL 191-  
8 04, § 4 and CSL No. 10-09-11, is hereby amended as follows:

9 “Section 11 – C. Withholding of services tax by the Chuuk State  
10 Government its agencies, authorities, boards, bureaus, and commissions, entity  
11 authorized in writing by the Department of Administrative Services.  
12 Notwithstanding any provision to the contrary, services provided to Chuuk State  
13 Government which requires payment of service tax, such tax shall be withheld  
14 and deducted from any payments of the services rendered by the Department of  
15 Administrative Services or its successor.

16 Section 5. Amendment. Section 11 of TSL 5 – 119, as amended by CSL 191-04,  
17 § 4 and CSL No. 10-09-11, is hereby amended by inserting new section 11-D which shall  
18 be read as follows:

19 “Section 11 – D. Exception. The service tax shall not apply to a service  
20 which requires payment of not more than Five Dollars (\$5.00) for the service  
21 rendered.

22 Section 6. Amendment. Section 7 of CSL No. 10-09-11, is hereby amended to  
23 read as follows:

24 “Section 7. Penalties. Taxpayers providing services imposed by Section 11 of this  
25 Act who knowingly or unlawfully fail to collect the service tax or remit any service tax  
26 collected in accordance with this Act shall upon conviction be imprisoned for a period of  
27 not less than six (6) months but not more than five (5) years or fined an amount of not  
28 less than \$1,000 but not more than \$5,000, or both.”

29 Section 7. Amendment. Section 17 of TSL 5 – 119, as amended by CSL 2-94-15,  
30 § 2 is hereby amended as follows:

31 “Section 17. Penalties; Civil and Criminal.

1 (1) Sellers of items listed in Sections 4, 9 and 10 of this Act who  
 2 knowingly and willfully fail to collect or timely pay the taxes levied by this Act  
 3 shall be charged a penalty of five percent (5%) per month on the balance of the  
 4 taxes due and unpaid.

5 (2) Sellers of items listed in Sections 4, 9 and 10 of this Act and providers  
 6 of services listed in Section 11 of this Act, who knowingly, willfully and  
 7 unlawfully fail to keep and provide to the Department of Treasury accurate  
 8 records and supporting documents pursuant to Section 15 of this Act shall be  
 9 guilty of a misdemeanor and shall, upon conviction, be fined not less than \$5,000  
 10 for each fiscal quarter such failure occurs.

11 (3) A carrier violating Section 11(5) and 16 of this Act shall be guilty of  
 12 a misdemeanor and shall, upon conviction, be fined not less than \$5,000.

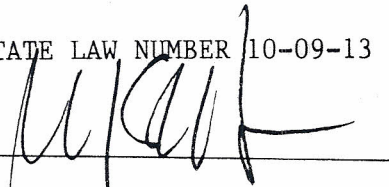
13 (4) Any person, company or corporation who knowingly, willfully, and  
 14 unlawfully violates or refuses to comply with any regulation duly issued by the  
 15 Department of Treasury for the enforcement of this Act or any provision of this  
 16 Act shall, upon conviction thereof, be fined not less than \$500, or imprisoned for  
 17 not more than 90 days, or both. Such penalties are in addition to those which  
 18 may be due under Subsections (1) through (3) and (5 6) of this Section.

19 (5) Any person, company or corporation who knowingly and willfully  
 20 refuses to permit the examination required by Section 23 of this Act shall, upon  
 21 conviction thereof, be fined not less than \$5,000.00, or imprisoned for not more  
 22 than one year, or both.”

23 Section 9. Repealer. Section 2 of CSL No. 10-09-11 is repealed in its entirety  
 24 Section 10. Superseded. Notwithstanding the provision of any law to the contrary,  
 25 the provisions of this Act shall supersede any provisions of law that is  
 26 inconsistent with the provisions of this Act.

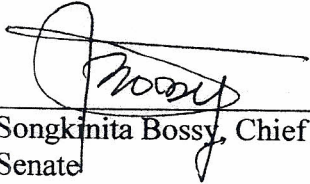
27 Section 11. Effective Date. This Act shall take effect fifteen (15) days after the  
 28 approval of the Governor, or fifteen (15) days after its becoming a law without  
 29 such approval.

Signed by:



Mark Mailo, President  
Senate  
Chuuk State Legislature

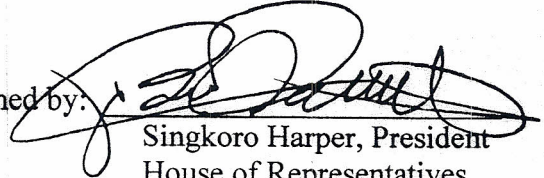
Attested:



Songkinita Bossy, Chief Clerk  
Senate  
Chuuk State Legislature

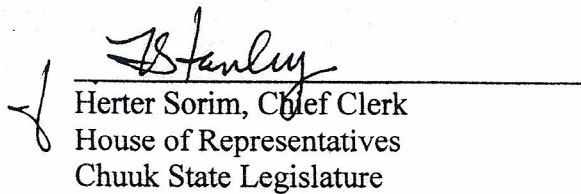
Date: 12/9/09

Signed by:



Singkoro Harper, President  
House of Representatives  
Chuuk State Legislature

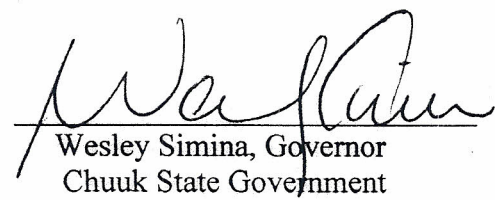
Attested:



Herter Sorim, Chief Clerk  
House of Representatives  
Chuuk State Legislature

Date: 12/08/09

Approved by:



Wesley Simina, Governor  
Chuuk State Government

Date: Dec. 10, 2009

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History : S.B.NO: 10-26;SD1  
: S.S.C.R.NO:  
: H.S.C.R.NO:



AEWIN REGULAR SESSION.  
NOVEMBER, 2009

NOMOPWUNG NO: 10-13

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EW NOMOPWUNG

A sopwei akesiwin ngeni Tetten 11. 11-A ngeni C, TSL No. 5-119, an fen piin akesiwin meren CSL No. 191-04 me tetten 7 me non CSL No. 10-09-11, an epwe apachata ew minefon tetten 11-D me akesiwini tetten 17 me non TSL No. 5-119 an a pin akesiwin meren CSL No 2-94-15 tetten 2, me pwan ren ekkoch popun.

Epwe pung meren ewe Anepwunun Mun Chuuk:

1 Tetten 1. Akesiwin. Tetten 11 me non TSL No. 5-119 ewe a pin akesiwin meren  
2 CSL No. 191-04, tetten 4 me CSL No. 10-09-11 iei a katano non unusan an epwene iei  
3 usun:

4 "Tetten 11. Service Tax. Ew service tax on ukukun nimu percent (5%) on  
5 ukukun mwonian ewe angang a fis on ekkei sakkun service ren mommon ekkewe  
6 angang seni ewe a moni ekkewe services, tiwenon chok met epwe affat me non ei  
7 annuk:

- 8 1) Eaeen Office, nenian onnut, me lease ren ekkoch nenien eaea,  
9 hotel, motel, apartment room, roomwen assoso me lease ren  
10 eaeen neni fan itan epwe wor eaeen,
- 11 2) Admission fees ren kachito, cinema, swimming pools, resorts  
12 me amusement centers,
- 13 3) Video tape, DVD, CD, me firum,
- 14 4) Ticket on cruise ika shippwen kangkotang me ekkewe services  
15 an ekewe diving shops,
- 16 5) Service on sepenin me ship. Service tax on service on sepenin  
17 me ship epwe fis on niwinin ekewe pasinso repwe sai ngeni  
18 nukun FSM, ese nifinifin ia a kamo me ia nour ticket ika  
19 niwinin ar sai,
- 20 6) Ekkewe sakkun angang an mei sinenap (Professional) a wewe  
21 ngeni aw angang ika service an ekkewe ir meisinenap non ar  
22 pekin angang a wor nour degree seni college me university ika  
23 pwe ewe mei sinenap i chon ew mwichen sinenap fengen me a



1 wor ren ekkewe meinisin tufich mei kawor seni ewe mwichen  
 2 sou-sinenap a chonni, ika ew service a kawor seni emon a wor  
 3 mumutan me fan pungun annuk, ika rules fan itan ewe sakkun  
 4 angang an mei sinenap, nge esap wor taxis won an emon ei  
 5 sakkun aramas ika pwe i chok emon chon angang ngeni emon.

6 7) Rental won ekkewe chitosa a wisen fori angangen uwou  
 7 aramas, pachenong bus, mini-bus, truck, motor vehicle, motor  
 8 bike, motor scooter me bicycle, me rental won ekkewe heavy  
 9 me light equipment ika sakkun mwesin nge ese apachanong  
 10 niwinin ekkewe pasinso on bus ika taxi;

11 8) Boat Rental,

12 9) Construction service,

13 10) Ekkewe service ren titinon me titinongen mwoni tiwenon chok  
 14 ekkewe banks, insurance, brokers me agents,

15 11) Computer me Electronic Shop,

16 12) Plumbing Service,

17 13) Auto Shop,

18 14) Refrigeration & Air Conditioning Services,

19 15) Port Service/Plotave ika fees,

20 16) Shipping Agency fees,

21 17) Courier Services,

22 18) Stevedoring Services,

23 19) Beauty Shop,

24 20) Dress Making/Repair/Alteration,

25 21) Professional Cleaning, Janitorial Services & Bulk Laundry,

26 22) Commercial Massage,

27 23) Security, me

28 24) Internet/Fax/Photocopying.”

29 Tetten 2. Akasiwin. Tetten 11-A me non TSL 5-119 an a akasiwin meren CSL

30 191-04, tetten 4 me CSL 10-09-11 iei a pwan akasiwin an epwene iei usun:

1           “Tetten 11-A. Kaworan service taxis: Ika pwe esap wor osukosuken och  
2           masowen ei annuk ngeni pwungun annuk, ewe service tax a kawor me fan pungun  
3           Tetten 11 epwe kawor meren ewe customer, aramas, company ika ew mwich e  
4           wisen angei ekkewe services, ewe epwe ioi meren ewe aramas company ika  
5           angang minne a wisen fori ewe service.”

6           Tetten 4. Akesiwin. Tetten 11-C non TSL 5-5-119, an a pin akesiwin meren CSL  
7           191-04, tetten 4 me CSL 10-09-11, iei a pwan akesiwin an epwene iei usun:

8           “Tetten 11-C. Ketiwetiwen ewe service tax meren ewe Chuuk  
9           State Government an kewe agencies, authorities, boards, bureaus, me  
10          commissions, me io epwe wor mumutan seni ewe Department of Administrative Services  
11          non taropwe. Ika pwe epwe wor masowen ei annuk epwe atai pungun annuk, ekkewe  
12          services a kawor seni ewe Chuuk State Government, ekkewe sakkun a affat me non ei  
13          annuk pwe repwe monni ewe service tax, taxis in ekkena sakkun service ewe Mun a fori  
14          epwe keimutiw seni niwinin ewe service Mun a fori fiti pungun angangen ewe  
15          Department of Administrative Services ika io siwinin”

16          Tetten 5. Akasiwin. Tetten 11 me non TSL 5-119, ewe a akesiwin meren CSL  
17          191-04, tetten 4 me CSL 10-09-11, iei a akesiwin an epwe kapacheta ew minefon tetten  
18          11-D, ewe epwene iei usun:

19          “Tetten 11-D. Tiwenon. Ewe Service tax esap pwan kawor ngeni minne  
20          taxis in esap watte seni Nimmu Channa (\$5.00) ren met service a fis.

21          Tetten 6. Akasiwin. Tetten 7 me non CSL No. 10-09-11, iei a akesiwin an  
22          epwene iei usun:

23          “Tetten 7. Niwinin Tipis. Chon monni ewe service tax a affat me non  
24          Tetten 11 non ei Annuk mei sinnei ika attai pwungun ei annuk, ika atoura an taxes  
25          a ionni me fan pungun ei annuk epwe tipis an epwe kanepus esap kukun seni onnu  
26          (6) maram nge esap watte seni nimu (5) ier ika paking ren esap kukuun seni  
27          \$1,000 nge esap chok watte seni \$5,000, ika ir me ruoch.”

28          Tetten 8. Akasiwin. Tetten 17 non TSL 5-119, an a pin akesiwin meren CSL 2-  
29          94-15, tetten 2 iei a pwan akesiwin an epwene iei usun:

30          “Tetten 17. Niwinin Tipis, Civil & Criminal.

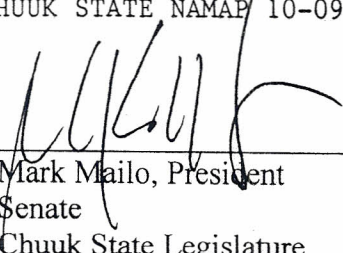
- 1 (1) Chon amomo ekkewe metoch a tettenitiw fan Tetten 4, 9 me 10  
 2 me non ei Annuk non an sinei me mochen, ese fori ioni me  
 3 monni ekkewe taxis a kawor annukun me non ei Annuk, epwe  
 4 kapacheta ukukun nimmu percent (5%) iteitan maram on ewe  
 5 ukukun taxes ese moni,
- 6 (2) Chon amomo ekkewe metoch a affatetiwi fan Tetten 4, 9, me 10  
 7 me non ei Annuk me ekkewe chon awora ekkewe services a  
 8 affatetiwi fan Tetten 11 me non ei Annuk, non an weweiti me  
 9 pwe a attai pungun ei annuk an ese isoni me monni ngeni ewe  
 10 Department of Administrative Services pungun records me  
 11 auchean taropwen fiti pungun Tetten 15 me non ei Annuk epwe  
 12 tipis ren misdemeanor me epwe, fansoun epwe tipis, paking  
 13 esap nap seni \$5,000 non iteitan quarter ese aponueta pungun  
 14 ei annuk,
- 15 (3) Emon chon fori ewe service ren pasinso me pisek e attai  
 16 pungun Tetten 11(5) me non ei Annuk epwe tipis ren an attai  
 17 annuk, ren niwinin tipis esap kukun seni \$5,000,
- 18 (4) Amon aramas, company non an sinei me mochen atti ika ese  
 19 mochen aponueta ekkewe regulation a meren ewe Department  
 20 of Administrative Services fan itan apichokunan masowen ei  
 21 annuk, ika pwe a tipis, epwe paking esap kukun seni \$5,000  
 22 ika kanepus esap watte seni ew ier, ika ir me ruoch.”

23 Tetten 9. Katano. Tetten 2 me non CSL No. 10-09-11 iei a katano non unusan,  
 24 fansoun ei annuk epwe poputa manamanan.

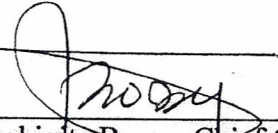
25 Tetten 10. Aukukun pochokunan. Ika pwe masowen ekkoch annuk ra purofengen  
 26 me masowen ei Annuk, masowen ei Annuk epwe chocho mwen masowen meni annuk  
 27 epwe purofengen ei-ei Annuk.

28 Tetten 11. Poputan Pochokunan. Ei Nomopwung epwe poputa pochokunan  
 29 engen-me-nimmu (15) ran me mwirin an kopunguno meren ewe Governor, ika engon-  
 30 me-nimmu (15) ran me mwirin an pwisin winiti annuk won winikapan.

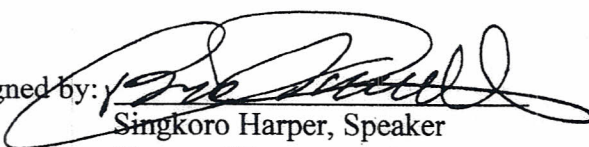


Sain meren:   
Mark Mailo, President  
Senate  
Chuuk State Legislature

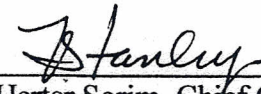
Anetatta:

  
Singkinita Bossy, Chief Clerk  
Senate  
Chuuk State Legislature

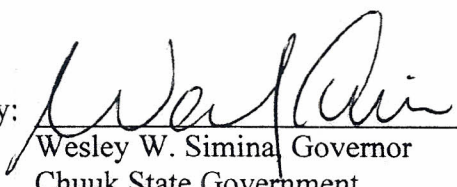
Date: 12/7/09

Signed by:   
Singkoro Harper, Speaker  
House of Representatives  
Chuuk State Legislature

Attested:

  
Herter Sorim, Chief Clerk  
House of Representatives  
Chuuk State Legislature

Date: 12/08/09

Approved by:   
Wesley W. Simina, Governor  
Chuuk State Government

Date: Dec. 10, 2009

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History : S.B.NO: 10-26;SD1  
S.S.C.R.NO:  
H.S.C.R.NO: